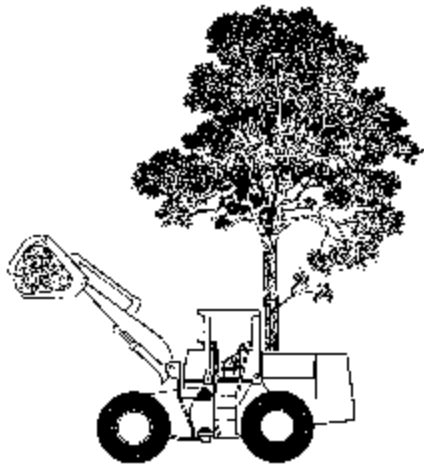
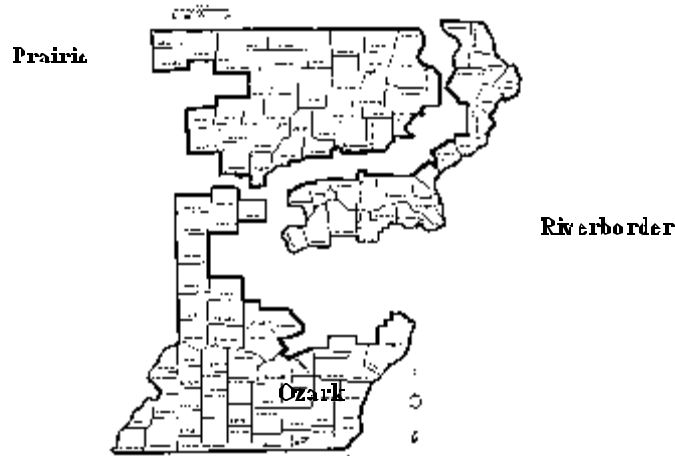


Missouri Timber Price Trends



Quarterly Market Report
Vol. 6 No. 4
October - December, 1996

Price Reporting Regions



Missouri Timber Price Trends tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs		Int'l = Doyle x 1.52
		Int'l = Scribner x 1.18
Pulpwood	Pine	5,200 lbs/cord
	Hardwood (hard)	5,600 lbs/cord
	Hardwood (soft)	4,200 lbs/cord

STATEWIDE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(October - December, 1996)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Black Walnut	\$1975	\$1145	\$1610	\$655	\$845	3	1600
White oak (group)	\$1315	\$630	\$940	\$640	\$705	5	28868
Sawlogs							
Ash	\$495	\$495	\$495	\$65	\$85	1	927
Black Walnut	\$420	\$370	\$400	\$190	\$285	2	11099
Cottonwood	\$35	\$35	\$35	-	\$40	1	47250
Hickory	\$100	\$90	\$95	-	\$70	2	3727
Oak (mixed species)	\$200	\$45	\$150	\$85	\$105	12	1904003
Red oak (group)	\$640	\$85	\$170	\$150	\$235	22	2326816
White oak (group)	\$420	\$80	\$210	\$135	\$195	19	860397
Yellow Poplar	\$165	\$100	\$120	-	-	2	82384
Mixed Hardwoods	\$240	\$30	\$95	\$150	\$65	17	983182
Southern Yellow Pine	\$150	\$140	\$145	-	-	2	99649
Stave logs							
White oak (group)	\$300	\$145	\$190	\$200	\$210	3	61818
Scragwood							
Oak (mixed species)	\$5	\$5	\$5	-	-	1	230 Cords

OZARK TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(October - December, 1996)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Black Walnut	\$1975	\$1975	\$1975	-	\$945	2	901
Sawlogs							
Black Walnut	\$420	\$370	\$400	-	\$265	2	11099
Hickory	\$100	\$90	\$95	-	-	2	3727
Oak (mixed species)	\$200	\$70	\$160	\$85	\$75	10	1761620
Red oak (group)	\$420	\$85	\$160	\$115	\$135	14	1951726
White oak (group)	\$420	\$80	\$180	\$105	\$120	11	565270
Mixed Hardwoods	\$150	\$30	\$95	\$200	\$50	9	727878
Southern Yellow Pine	\$150	\$140	\$145	-	-	2	99649
Stave logs							
White oak (group)	\$300	\$250	\$255	\$200	\$155	2	27083
Scragwood							
Oak (mixed species)	\$5	\$5	\$5	-	-	1	230 Cords

PRAIRIE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(October - December, 1996)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Black Walnut	\$1145	\$1145	\$1145	\$655	\$805	1	699
White oak (group)	\$1000	\$1000	\$1000	\$635	\$655	1	15000
Sawlogs							
Cottonwood	\$35	\$35	\$35	-	\$40	1	47250
Oak (mixed species)	\$125	\$125	\$125	\$75	\$110	1	63478
Red oak (group)	\$300	\$300	\$300	\$165	\$195	2	47000
White oak (group)	\$370	\$200	\$325	\$140	\$195	3	180890
Mixed Hardwoods	\$55	\$50	\$55	\$140	\$50	2	98747

RIVERBORDER TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(October - December, 1996)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
White oak (group)	\$1315	\$630	\$875	\$655	\$715	4	13868
Sawlogs							
Ash	\$495	\$495	\$495	-	\$70	1	927
Oak (mixed species)	\$45	\$45	\$45	-	\$130	1	78905
Red oak (group)	\$640	\$150	\$225	\$120	\$310	6	328090
White oak (group)	\$235	\$100	\$175	\$145	\$215	5	114237
Yellow Poplar	\$165	\$100	\$120	-	-	2	82384
Mixed Hardwoods	\$240	\$55	\$110	\$65	\$65	6	156557
Stave logs							
White oak (group)	\$145	\$145	\$145	-	\$285	1	34735

Missouri Log Market Report



Missouri Department of Conservation, Forestry Division University of Missouri, Forestry Extension Missouri Forest Products Association

Welcome to the **Missouri Log Market Report**. This report is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The Log Market Report is published as a cooperative effort of the Forestry Division of the Missouri Department of Conservation, University of Missouri-Extension and the Missouri Forest Products Association.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

We hope you find the information useful and will be working to expand the number of participating mills; reported species and products (veneer, etc); and the range of coverage for the report. All information provided by the participating mills is confidential.

If you have any questions, comments, or would like to participate in the reporting program, please call Shelby Jones at (314) 751-4115, Extension 109.

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October - December, 1996)

Veneer			
Species	High	Low	Average
Black Walnut	\$1115	\$450	\$740
Red oak (group)	\$455	\$395	\$425
White oak (group)	\$1320	\$800	\$1060

*** 6 Mill(s) reporting.**

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$230	\$160	\$80
Black Walnut	\$385	\$305	\$90
Cherry	\$420	-	-
Cottonwood	\$160	\$120	\$60
Eastern Redcedar	\$255	\$200	-
Hard Maple	\$270	-	-
Hickory	-	-	\$150
Red oak (group)	\$280	\$185	\$115
Soft Maple	\$295	\$185	\$100
Southern Yellow Pine	-	\$110	\$55
White oak (group)	\$290	\$195	\$105

*** 10 Mill(s) reporting.**

Average Ozark Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October - December, 1996)

Veneer			
Species	High	Low	Average
White oak (group)	\$1010	\$1010	\$1010

*** 3 Mill(s) reporting.**

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$220	\$160	\$150
Black Walnut	\$340	\$240	-
Eastern Redcedar	-	\$200	-
Hickory	-	-	\$150
Red oak (group)	\$270	\$215	\$160
Southern Yellow Pine	-	\$110	\$55
White oak (group)	\$275	\$260	\$150

*** 5 Mill(s) reporting.**

Average Prairie Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October - December, 1996)

Veneer Species	High	Low	Average
Black Walnut	\$1245	\$355	\$720

*** 3 Mill(s) reporting.**

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$220	-	\$60
Black Walnut	\$590	\$370	\$145
Cherry	\$365	-	-
Cottonwood	\$160	\$120	\$60
Eastern Redcedar	\$255	-	-
Hard Maple	\$145	-	-
Red oak (group)	\$220	-	-
Soft Maple	\$295	\$185	\$100
White oak (group)	\$295	\$185	-

*** 2 Mill(s) reporting.**

Average Riverborder Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October - December, 1996)

Veneer Species	High	Low	Average
Black Walnut	\$990	\$545	\$765
Red oak (group)	\$455	\$395	\$425
White oak (group)	\$1630	\$590	\$1110

*** 3 Mill(s) reporting.**

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$255	-	-
Black Walnut	\$330	-	-
Cherry	\$445	-	-
Hard Maple	\$330	-	-
Red oak (group)	\$305	\$150	\$85
White oak (group)	\$300	\$135	\$80

*** 4 Mill(s) reporting.**

QUARTERLY MARKET CONDITIONS

19 mills, with a combined annual production of 57.7 million board feet, participated in the October - December, 1996 survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 36 timber sales containing 12.8 million board feet located throughout the state. 2 Scrag mills reported prices this quarter. Scrag bolt prices averaged \$22.50/ton

Log Markets

Reports received from mills around the state were more consistent than they have been for some time. Logging conditions during the Fourth Quarter were generally poor, log inventories at many mills were low, and a significant number of mills operated at less than 100% of capacity. However, the general attitude for both the volume of business and outlook for the first quarter of 1997 is very positive.

Market prices for almost every product was noted as increased by various mills. This was true for pallet lumber and cants, blocking, ties, grade red oak lumber, staves, and all soft hardwood lumber. Increased Hard maple and cherry lumber prices were mentioned by several mills, primarily in the River Border and Prairie Regions. Soft maple was also strong in that geographic area. Veneer log prices were not reported by many mills, but appear to be at the seasonal levels expected. As usual, white oak veneer logs lead the list in both volume and value. A couple of reports indicate that red oak veneer logs may be moving better from Missouri than in past years, however no price data as available. In general, market activity seems to be improving and prices increased slightly to moderately during the quarter.

Low log inventories seem to be the major concern especially with predictions for a colder than normal winter. Of course, sustained frozen conditions could actually improve logging conditions in northern portions of the state. In general, sawmills can expect moderately increasing log prices for most species during the next quarter. Noted exceptions to this would be walnut and ash logs. There doesn't appear to be any light at the end of the tunnel for walnut lumber and even walnut veneer prices seem much softer than past seasons.

In the Ozarks, announcement by Willamette Industries of their selection of Mill Spring in Wayne County as the site of a new chip mill has generated interest in small diameter hardwoods. While the plant will not be operational until late summer of this year, pulpwood procurement will begin sometime prior to that to establish the initial inventory. Scrag block prices may be impacted by the increased demand in the smaller diameter classes. We will try to keep you up-to-date as delivered pulpwood prices are announced. Sawmills within 75 miles of the chip mill will also see a significant increased demand and price for debarked slabs and edgings, as Willamette has indicated a desire to purchase "clean" residuals as well as hardwood roundwood.

Stumpage Markets

Stumpage price trends were not as clearly indicated as log markets. However, the number of sales reported was up significantly as many foresters conducted sales of standing timber previously marked or prepared earlier in the year. Indications are that the trend will continue into the first quarter of 1997. Private landowners are utilizing the services of consulting foresters more than in the past if the number of timber sales reported by consultants is an indication of a trend.

In general, stumpage prices for most species appear to be on the rise, although increases are moderate. White oak and red oak species are, of course, leading the way. A long time favorite of

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October - December, 1996)

Below Grade Logs

Species	Blocking	Pallets	Tie
Ash	\$115	\$140	\$130
Black Walnut	\$100	\$145	\$145
Cherry	\$110	\$120	\$145
Cottonwood	\$105	\$100	\$110
Eastern Redcedar	\$225	\$160	\$225
Elm	\$115	\$110	\$110
Gum	\$125	\$115	\$120
Hackberry	\$115	\$110	\$110
Hard Maple	\$105	\$120	\$120
Hickory	\$115	\$120	\$140
Pecan	\$125	\$100	\$120
Red oak (group)	\$115	\$130	\$150
Soft Maple	\$125	\$100	\$120
Southern Yellow Pine	\$140	\$150	\$160
Sycamore	\$120	\$110	\$130
White oak (group)	\$105	\$125	\$135

* 3 Mill(s) reporting.

landowners, black walnut, is at the back of the pack unfortunately. While this report indicates a good price for sawlog quality walnut, it is based on only two reported sales. There were several reports of walnut timber sales where no bids were received that could not be included in the calculations. Rely on the advice of your local forester about the stumpage situation for walnut in your area if you anticipate selling any sawlog quality walnut in the near future.

Hard maple, soft maple, and cherry continue to be in demand in the River Border and Prairie Regions. Landowners with these species or other associated soft hardwood species will find the first quarter of '97 to be an opportune time to conduct a timber sale. White oak stave logs and tie grade logs of many species are also bright spots throughout the state. Stumpage prices for pallet grade logs may also increase slightly with recent increases in lumber prices and in areas with sawmills experiencing critically low log inventories. Landowners who pay close attention to the log supply situations in their local areas will be able realize the best return from their timber crop.

Editor's Note:

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (314) 751-4115, Extension 308, will be happy to provide you with the name and address of the Resource Forester or District Forest Office nearest to you

Thanks

With this report *Missouri Timber Price Trends* completes its sixth year of reporting both delivered log prices and timber stumpage prices to Missourians. Actually, many people outside our state and with a variety of interests are on the mailing list also because they have an interest in the economic value of our timber. Our timber is a valuable resource utilized for many purposes, but this report is the only regularly published

documentation of "real life" prices paid in real transactions. None of which would be possible without the extra efforts by foresters and wood processing mills throughout the state who submit timely reports of these activities. "Thanks" are overdue to everyone who participates in reporting data of any type to this publication. Please keep up your efforts. The Forest Resource community appreciates you very much!

Shortcourse on Marketing Forest Products

The Center for Forest Products Marketing at Virginia Tech will be conducting the 4th annual short course on marketing forest products. This course will introduce the basics of marketing to new marketing and sales personnel and update current personnel of changing factors affecting the industry. For registration materials or additional information, contact Bob Smith at the Department of Wood Science and Forest Products at Virginia Tech. Phone: (540) 231-5876 or FAX (540) 231-8863.

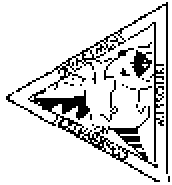
HARDWOOD LUMBER GRADING SHORT COURSE SCHEDULED

A hardwood lumber grading short course will be held on April 7, 8, and 9, 1997 in Cape Girardeau, Missouri. Cosponsors are Havco Wood Products Inc., the Missouri Forest Products Association and the Missouri Department of Conservation. Rich Deppen from the National Hardwood Lumber Association will be the instructor for the three day short course.

The contents of this short course features the standard hardwood lumber grades as applied to oak lumber. Instruction includes rule definitions, identifying lumber defects and applying the grade rules to green and dry lumber. Classroom sessions are combined with "hands on" grading of oak lumber to insure each student receives the maximum amount of practical training. There is time to ask questions and discuss proper handling of lumber to avoid defects associated during the drying and shipping processes.

Target audience for the short course are sawyers, edgemen, end trim saw operators, yard hands doing lumber separations, sales personnel or any one who needs a working knowledge of the standard grades of hardwood lumber, specifically oak. The skills learned here prepare a student for fourteen week long hardwood lumber grading school offered through the National Hardwood Lumber Association.

To register for the course and request additional information about course fees and accommodations please contact Laura at Missouri Forest Products Association, 573-634-3252, FAX 573-636-2591 or write to the Missouri Forest Products Association, 611 E. Capitol Suite #1, Jefferson City, MO 65101.



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ADDRESS CORRECTION REQUESTED

